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Frequently Asked Questions (FAQ) **EPA Mandatory Reporting of Greenhouse Gas Emissions Rule** Updated 03/25/2011

In response to the FY2008 Consolidated Appropriations Act (H.R. 2764; Public Law 110-161), EPA issued the Mandatory Greenhouse Gas (GHG) Reporting Rule on September 22, 2009. The rule was effective on December 29, 2009. Under the rule, suppliers of fossil fuels or industrial greenhouse gases, manufacturers of vehicles and engines, and facilities that emit 25,000 metric tons of carbon dioxide equivalents (mtCO₂e) or more per year are required to submit annual reports to EPA.

This FAQ is intended to be a general resource for Iowa facilities that have questions on how the EPA rule will impact them and how it correlates to DNR's past mandatory GHG reporting requirements. It does not address all requirements of the EPA rule. More detailed information on the federal Greenhouse Gas Reporting Program (GHGRP) is available on the GHGRP web site at <http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>.

When are facilities required to submit their first GHG emissions report to EPA?

The rule requires covered entities to report their greenhouse gas emissions directly to EPA using a new electronic reporting system. The first report will be for calendar year (CY) 2010 emissions, and will be due March 31, 2011.

Update: On March 18, 2011 EPA promulgated a final rule extending the reporting deadline for CY 2010 GHG data to September 31, 2011. The rule changes only the reporting deadline for CY 2010 data; it does not change the reporting deadline for future years and does not change what data must be reported.

What GHG's will need to be reported?

The gases covered by the rule are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and other fluorinated gases including nitrogen trifluoride (NF₃) and hydrofluorinated ethers (HFE).

Will my company be required to report GHG emissions to both EPA and DNR?

No. Starting with the CY 2010 GHG emissions report due March 31, 2011 (now extended to September 30, 2011), subject facilities will begin reporting **directly** to EPA rather than DNR. DNR estimates that 98% of the GHG emissions reported in previous DNR GHG inventories will be subject to EPA's mandatory reporting rule. DNR anticipates focusing more of its efforts on developing a statewide "top-down" GHG inventory using statewide activity data.

How does EPA's rule differ from DNR's current mandatory GHG reporting rule?

EPA's rule is more comprehensive than DNR's past GHG reporting requirements. EPA's rule covers more source categories, requires additional monitoring and recordkeeping, and in some cases requires unit-level reporting.

Applicability

EPA's rule (40 CFR 98) requires the following facilities to report their GHG emissions directly to EPA:

- §98.2(a)(1) - *A facility that contains any source category that is listed in Table A-3 of this subpart in any calendar year starting in 2010.* For these facilities, the annual GHG report must cover stationary fuel combustion sources (subpart C of this part), miscellaneous use of carbonates (subpart U of this part), and all applicable source categories listed in Table A-3 and Table A-4 of this subpart.
- §98.2(a)(2) - *A facility that contains any source category that is listed in Table A-4 of this subpart and that emits 25,000 metric tons CO₂e or more per year in combined emissions from stationary fuel combustion units, miscellaneous uses of carbonate, and all applicable source categories that are listed in Table A-3 and Table A-4 of this subpart.* For these facilities, the annual GHG report must cover stationary fuel combustion sources (subpart C of this part), miscellaneous use of carbonates (subpart U of this part), and all applicable source categories listed in Table A-3 and Table A-4 of this subpart.
- §98.2(a)(3) - *A facility that in any calendar year starting in 2010 meets all three of the conditions listed in this paragraph (a)(3).* For these facilities, the annual GHG report must cover emissions from stationary fuel combustion sources only.
 - (i) The facility does not meet the requirements of either paragraph (a)(1) or (a)(2) of this section.
 - (ii) The aggregate maximum rated heat input capacity of the stationary fuel combustion units at the facility is 30 mmBtu/hr or greater.
 - (iii) The facility emits 25,000 metric tons CO₂e or more per year in combined emissions from all stationary fuel combustion sources.
- §98(a)(4) - *A supplier that is listed in Table A-5 of this subpart.* For these suppliers, the annual GHG report must cover all applicable products for which calculation methodologies are provided in the subparts listed in Table A-5 of this subpart.
- §98(a)(5) Research and development activities are not considered to be part of any source category defined in this part.

Table A-3 to Subpart A – Source Category List for §98.2(a)(1)

Subpart	Source Category
<i>Source categories^a applicable in 2010 and future years:</i>	
D	Electricity generation units that report CO ₂ mass emissions year round through 40 CFR part 75 (subpart D).
E	Adipic acid production (subpart E).
F	Aluminum production (subpart F).
G	Ammonia manufacturing (subpart G).
H	Cement production (subpart H).
O	HCFC-22 production (subpart O).

Table A-3 to Subpart A (continued)

O	<u>HCFC-23 destruction processes</u> that are not collocated with a HCFC-22 production facility and that destroy more than 2.14 metric tons of HFC-23 per year (subpart O).
S	<u>Lime manufacturing</u> (subpart S).
V	<u>Nitric acid production</u> (subpart V).
X	<u>Petrochemical production</u> (subpart X).
Y	<u>Petroleum refineries</u> (subpart Y).
Z	<u>Phosphoric acid production</u> (subpart Z).
BB	<u>Silicon carbide production</u> (subpart BB).
CC	<u>Soda ash production</u> (subpart CC).
EE	<u>Titanium dioxide production</u> (subpart EE).
HH	<u>Municipal solid waste landfills</u> that generate CH ₄ in amounts equivalent to 25,000 metric tons CO ₂ e or more per year, as determined according to subpart HH of this part.
JJ	<u>Manure Management</u> systems with combined CH ₄ and N ₂ O emissions in amounts equivalent to 25,000 metric tons CO ₂ e or more per year, as determined according to subpart JJ of this part. NOTE: EPA will not be implementing Subpart JJ of Part 98 using funds provided in its FY2010 appropriations or Continuing Appropriations Act, 2011 (Public Law 111-242), due to a Congressional restriction prohibiting the expenditure of funds for this purpose.
<i>Additional Source Categories^a Applicable in 2011 and Future Years:</i>	
DD	<u>Electrical transmission and distribution equipment use</u> (subpart DD).
FF	<u>Underground coal mines</u> that are subject to quarterly or more frequent sampling by Mine Safety and Health Administration (MSHA) of ventilation systems (subpart FF).
RR	<u>Geologic sequestration of carbon dioxide</u> (subpart RR).
SS	<u>Electrical transmission and distribution equipment manufacture or refurbishment</u> (subpart SS).
UU	<u>Injection of carbon dioxide</u> (subpart UU).

^aSource categories are defined in each applicable subpart.

Table A-4 to Subpart A – Source Category List for §98.2(a)(2)

Subpart	Source Category
<i>Source Categories^a Applicable in 2010 and Future Years:</i>	
K	<u>Ferroalloy production</u> (subpart K).
N	<u>Glass production</u> (subpart N).
P	<u>Hydrogen production</u> (subpart P).
Q	<u>Iron and steel production</u> (subpart Q).
R	<u>Lead production</u> (subpart R).
AA	<u>Pulp and paper manufacturing</u> (subpart AA).
GG	<u>Zinc production</u> (subpart GG).
<i>Additional Source Categories^a Applicable in 2011 and Future Years:</i>	
I	<u>Electronics manufacturing</u> (subpart I).
L	<u>Fluorinated gas production</u> (subpart L).
T	<u>Magnesium production</u> (subpart T).
W	<u>Petroleum and Natural Gas Systems</u> (subpart W).
II	<u>Industrial wastewater treatment</u> (subpart II).
TT	<u>Industrial waste landfills</u> (subpart TT).

^aSource categories are defined in each applicable subpart.

Table A-5 to Subpart A – Supplier Category List for §98.2(a)(4)

Subpart	Source Category
<i>Supplier Categories^a Applicable in 2010 and Future Years:</i>	
LL	<u>Coal-to-liquids suppliers:</u> (A) All producers of coal-to-liquid products. (B) Importers of an annual quantity of coal-to liquid products that is equivalent to 25,000 metric tons CO ₂ e or more. (C) Exporters of an annual quantity of coal-to-liquid products that is equivalent to 25,000 metric tons CO ₂ e or more.
MM	<u>Petroleum products suppliers (subpart MM):</u> (A) All petroleum refineries that distill crude oil. (B) Importers of an annual quantity of petroleum products that is equivalent to 25,000 metric tons CO ₂ e or more. (C) Exporters of an annual quantity of petroleum products that is equivalent to 25,000 metric tons CO ₂ e or more.

Table A-5 to Subpart A (continued)

NN	<u>Natural Gas and Natural Gas Liquids Suppliers (subpart NN):</u> (A) All fractionators. (B) Local natural gas distribution companies that deliver 460,000 thousand standard cubic feet or more of natural gas per year.
	<u>Industrial greenhouse gas suppliers (subpart OO):</u> (A) All producers of industrial greenhouse gases. (B) Importers of industrial greenhouse gases with annual bulk imports of N ₂ O, fluorinated GHG, and CO ₂ that in combination are equivalent to 25,000 metric tons CO ₂ e or more. (C) Exporters of industrial greenhouse gases with annual bulk exports of N ₂ O, fluorinated GHG, and CO ₂ that in combination are equivalent to 25,000 metric tons CO ₂ e or more.
PP	<u>Carbon dioxide suppliers (subpart PP).</u>

What level of reporting does the rule require?

The level of reporting required by EPA's rule varies from unit-level to facility-level depending on the subpart. The EPA rule also requires reporting of activity data in some cases. Facilities should note that Subpart 98 Subpart C – General Stationary Fossil Fuel Combustion requires **unit-level** reporting. However, it does contain a provision §98.3(d)(3) that allows a facility that is only subject to Subpart C to submit a facility-wide emissions report for the first year only.

Are ethanol plants subject to EPA's GHG Reporting Rule?

EPA made a final decision not to include ethanol production as a distinct subpart in 40 CFR Part 98 because the proposal for a separate subpart did not include any unique requirements for monitoring or reporting of process emissions. Ethanol production facilities are required to report emissions under other subparts of the federal rule if they meet the reporting threshold of 25,000 metric tons of CO₂e equivalent per year for all emissions sources covered in the federal rule. Applicable subparts are likely to include Subpart C (stationary combustion), Subpart HH (municipal solid waste landfills), and Subpart II (wastewater treatment).

Does the rule require my facility to report GHG emissions from mobile sources?

The EPA rule requires all engine and vehicle manufacturers outside of the light-duty sector to report CO₂ emissions beginning with model year 2011 and all other GHGs in subsequent model years. This includes manufacturers of various types of engines and vehicles including snowmobiles, motorcycles, marine engines, etc.

The EPA rule does not require reporting of GHG emissions from vehicle fleets.

Who can I contact with questions?

EPA has posted fact sheets for each of the subject source categories and FAQ's at <http://www.epa.gov/climatechange/emissions/ghgrulemaking.html>. Further outreach and assistance will be announced on this website.

Please direct additional questions pertaining to this rule to EPA's Rule Help Center (http://www.epa.gov/climatechange/emissions/ghgrule_contactus.htm) or Marnie Stein at DNR (Marnie.Stein@dnr.iowa.gov or 515-281-8468).